

**Saucedo, Luis E (CRT)**

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**From:** Saucedo, Luis E (CRT)  
**Sent:** Tuesday, August 16, 2022 8:09 PM  
**To:** 'Alejandro del Carmen'  
**Cc:** 'Tom Petrowski'; 'Gary Loeffert'; Castillo, Jorge (CRT); Chamblee-Ryan, Katherine (CRT); 'Gabriel A. Peñagaricano-Valdés'; 'Rafael Barreto-Sola'; 'John J. Romero'; 'Denise Rodriguez'; 'Roberto Abesada Agüet'; 'Luis Hidalgo'  
**Subject:** RE: PRPB: Recommendation on Auditor Position  
**Attachments:** Act 15 of 2017, as amended.pdf; BULLETS - Inspector General.docx

Dr. del Carmen:

In response to your request, we write to supplement the joint recommendation we submitted yesterday, 8/15/22, regarding the auditing position to oversee PRPB's use of special reform funding. As you know, the Parties and Monitor recommended that the Puerto Rico Office of Inspector General (PR-OIG) serve as the auditor over police reform expenditures. Below, we provide additional information supporting our recommendation, including how PR-OIG is authorized to support each of the five consensus recommendations submitted to the Court on July 22, 2022. See Pl.'s Mot. in Compliance at 5-8, Dkt. 2098 (July 22, 2022). Attached for your reference is an English translation of PR-OIG's authorizing statute, P.R. Law 15 of 2017, as amended (3 L.P.R.A. §§ 8865-79). We are also attaching a short summary of P.R. Law 15 prepared by the Monitor's Office.

As set forth below, we believe that PR-OIG has the necessary authority and independence to serve as the auditing entity over police reform expenditures. PR-OIG is authorized to access necessary documents and information from Commonwealth agencies, and Commonwealth officials are required to cooperate with PR-OIG in the discharge of its duties. The involvement of PR-OIG would also promote transparency.

- The Inspector General is appointed by the Governor with the advice and consent of the Senate and the House of Representatives, for a term of ten (10) years. § 8869.
- The results of PR-OIG's audits, studies, and evaluations are public, unless information is either confidential or exempt from public disclosure by provision of law. § 8873.
- PR-OIG is authorized to file special reports as deemed convenient or required by the Governor or the Legislative Assembly. PR-OIG is required to immediately submit any OIG report to the Department of Justice, the Office of the Comptroller of Puerto Rico, and the Office of Government Ethics, when the Inspector General reasonably believes that any law pertaining to the use of public property or funds has been violated. § 8874.
- PR-OIG has access to all files, reports, audits, documents, contracts, accounts, recommendations, and any other materials available in the government entities pertaining to the programs, activities, projects, and operations thereof. §8871 (e)
- PR-OIG is authorized to follow up on corrective action plans and the reorganizations implemented by government entities in order to evaluate the results and achievements thereof as well as report the findings and make the pertinent recommendations to the head of the government entity, the Governor, and the Legislative Assembly. §8871 (i).
- Every secretary, director, or head of a government entity involved is required to provide OIG personnel with access to any books, documents, and physical and electronic files, as well as to any accounting system, whether electronic or in any other format, as necessary for OIG personnel to discharge its duties. Likewise, they shall instruct the officials and employees of their respective agencies to facilitate the work of OIG personnel and to cooperate as necessary for such purposes. § 8877.

PR-OIG has specific authority to conduct financial audits and support the five recommendations we submitted to the Court on July 22, 2022, as follows:

Consensus Recommendation	OIG Authority – 3 L.P.R.A. §8871
Development of a written protocol or directive to supplement General Order 208	(k) To provide government entities with assistance and advice on the development of administrative studies and evaluations, the design of managerial systems and procedures, and the implementation of jointly adopted corrective measures.
Development of a spending plan to prioritize compliance needs	(v) To develop standards, policies, rules, and procedures to guide the agencies in establishing controls and in observing sound administration practices. It shall also assist them in finding ways to operate more efficiently and identifying methods to generate income, reduce costs, increase financial aids, and optimize resources.
Establishing a review process for monthly expenditure reports	(r) To oversee compliance with the public policy, laws, regulations, as well as with any other rule established to ensure a sound public administration by government entities.
Conducting periodic audits of PRPB's use of special reform funding	(a) To conduct pre-audits in non-excluded government agencies, including, but not limited to, the processes for the procurement and acquisition of goods and services of the covered agencies. (b) To develop a comprehensive operational audit program in government entities, including the use of appropriated federal and state funds, directed at improving the economy, efficiency, and effectiveness of the programs, activities, or projects carried out by the government entity, including the government information systems. This shall be in compliance with the Government Auditing Standards, the Standards for the Professional Practice of Internal Auditing, and the Institute of Internal Auditor's Code of Ethics.
Development of a transition strategy to evolve the reform annual budget and expenditures into the long term PRPB regular operating budget after the conclusion of the Consent Decree	(v) To develop standards, policies, rules, and procedures to guide the agencies in establishing controls and in observing sound administration practices. It shall also assist them in finding ways to operate more efficiently and identifying methods to generate income, reduce costs, increase financial aids, and optimize resources

Please let us know if you need additional information or have any questions or concerns.

Cordially,  
Luis Saucedo

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**From:** Saucedo, Luis E (CRT) <>

**Sent:** Monday, August 15, 2022 7:38 PM

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**Subject:** PRPB: Recommendation on Auditor Position

Good evening, Dr. del Carmen:

We write to offer our recommendations on the auditor position that would be responsible for providing accounting oversight of PRPB's reform expenditures and supporting the implementation of five consensus recommendations to improve future fiscal oversight, in compliance with the Court's Order of July 29, 2022 (Dkt. 2112). The Commonwealth and Monitor agree and join in making this recommendation.

The Parties and Monitor met and conferred regarding the Court's July 29 Order and discussed options for the auditor position. Based on those discussions, we recommend that the Commonwealth's Office of Inspector General (PR-OIG) serve as the auditor over PRPB's use of reform expenditures, subject to confirmation by the PR-OIG. The PR-OIG has the authority, access, and independence necessary to provide meaningful oversight of special reform funding allocated to PRPB. Specifically, the PR-OIG has the authority to conduct financial audits of PRPB expenditures under its implementing statute, Act 15-2017, as amended. The PR-OIG also has the authority to support the implementation of the five consensus recommendations submitted by the Parties and Monitor on July 22, 2022 through its consultative, training, and educational functions.

The Commonwealth and the Monitor's Office have had preliminary communications with PR-OIG. We are awaiting confirmation by the Inspector General that the PR-OIG has the resources and availability to serve as the auditor, as set forth in the Court's July 29 Order, which we expect to receive by the August 23, 2022, status conference.

Please let us know if you have any questions or concerns, or would like to discuss.

Cordially,

Luis Saucedo

**Luis E. Saucedo | Senior Trial Attorney | Special Litigation Section**

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